

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

AF-08 ARA-06 EA-07 NEA-10 /137 W  
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R 101705Z SEP 76

FM AMEMBASSY ROME

TO SECSTATE WASHDC 9890

INFO USMISSION GENEVA

LIMITED OFFICIAL USE ROME 14814

E.O. 11652: N/A

TAGS: GATT, ETRD, IT

SUBJ: GATT REVIEW OF ITALIAN PRIOR DEPOSIT SCHEME

REF: STATE 223115

1. ECMIN AND EMBOFF DISCUSSED ON SEPTEMBER 9 (BEFORE RECEIPT REFTELS) PRIOR DEPOSIT SCHEME AND REFERRAL TO GATT BALANCE OF PAYMENTS (BOP) COMMITTEE FOR ITS REVIEW WITH MINISTER CALAMIA, MFA COORDINATOR FOR EC/GATT AFFAIRS, AND COUNSELOR FUXA, MFA DIRECTOR FOR EC/GATT AFFAIRS. CALAMIA AND FUXA MAINTAINED GOI STILL STRONGLY OPPOSED TO REFERRAL OF PRIOR DEPOSIT ISSUE TO BOP COMMITTEE, BUT SAID THEY WOULD RECHECK WITH COLLEAGUES IN OTHER MINISTRIES. THEY SAID A WRITTEN STATEMENT ON THE PRIOR DEPOSIT SYSTEM HAD BEEN SUFFICIENT FOR MOST MEMBERS WHEN THE GATT COUNCIL FIRST CONSIDERED THE MATTER AND THEY ASSUMED THAT MOST MEMBERS WOULD STILL BE WILLING TO DEAL WITH IT IN THE COUNCIL RATHER THAN IN THE BOP COMMITTEE.

2. ACCORDING TO CALAMIA, BOP COMMITTEE REVIEW IMPLIES SERIOUS,  
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DETAILED AND EXTENSIVE WRITTEN REPORTS AND DISCUSSIONS WHICH

GOI WISHED TO AVOID. HE SAW NO DIFFERENCE, IN THIS REGARD, BETWEEN REVIEW BY THE BOP COMMITTEE OR A SPECIAL WORKING GROUP. ON THE OTHER HAND, HE RECOGNIZED VALIDITY OF USG POSITION THAT AVOIDANCE OF BOP COMMITTEE REVIEW COULD BE PRECEDENT FOR GENERAL AVOIDANCE OF CAREFUL CONSIDERATION IN THE GATT OF BALANCE OF PAYMENTS MEASURES THAT AFFECT TRADE.

3. CALAMIA CONTENDED THAT EVIDENCE SHOWS THAT PRIOR DEPOSIT SCHEME HAS NOT RETARDED IMPORTS SIGNIFICANTLY AND THAT IT HAS BEEN A VERY POSITIVE FACTOR IN STABILIZING THE ECONOMY, PENDING MORE BASIC MEASURES.

4. EMBOFFS WILL GO OVER THESE ISSUES WITH APPROPRIATE GOI OFFICIALS AGAIN EARLY NEXT WEEK IN LIGHT OF INSTRUCTIONS CONTAINED REFTEL. HOWEVER, WE DOUBT GOI WILL AGREE TO BOP COMMITTEE REVIEW OF PRIOR DEPOSIT SCHEME.BEAUDRY

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC DISCUSSIONS, BALANCE OF PAYMENTS POLICIES, ANTIINFLATIONARY PROGRAMS  
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**Copy:** SINGLE  
**Draft Date:** 10 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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**TAGS:** ETRD, IT, GATT  
**To:** STATE  
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